

**KOREA EXCHANGE BANK****NEW YORK BRANCH**

460 Park Ave. 14th, New York, N.Y. 10022 U.S.A.

TEL : 212-838-4949  
 FAX : 212-752-8551, 3856  
 SWIFT : KOEXUS33  
 TELEX : 668184

Advising Dept/Branch : Korea Exchange Bank New York

Date of Advice : 03/09/04

<b>Applicant</b> DEFENSE PROCUREMENT AGENCY MINISTRY OF NATIONAL DEFENSE REPUBLIC OF KOREA	<b>Advice of</b> DOCUMENTARY CREDIT	
<b>Beneficiary</b> US MATERIAL SUPPLY INC. 141 SHREVE AVE. BARRINGTON NJ 08003 U.S.A	<b>Advice No. ( Please quote this No. in communication with us )</b> 5623ADV030911239	
	<b>Credit No.</b>	M0601309GS90058
	<b>Amount</b>	USD 338,162.40
	<b>Issuing Bank</b> KEB HO Business Div.	

To Whom It May Concern,

AT THE REQUEST OF THE ISSUING BANK, WE ARE PLEASED TO ENCLOSE:

(X) THE AUTHENTICATED LETTER OF CREDIT.

( ) THE AMENDMENT NO.1

-THIS LETTER IS SOLELY AN ADVICE OF A LETTER OF CREDIT ISSUED BY THE ABOVE MENTIONED CORRESPONDS AND CONVEYS NO ENGAGEMENT BY US.

-ALL BANKING COMMISSION &amp; CHARGES OUTSIDE KOREA ARE FOR YOUR ACCOUNT.

-IF YOU ARE UNABLE TO COMPLY WITH THOSE TERMS IN THE L/C, PLEASE CONTACT THE OPENER(S) DIRECTLY AND ARRANGE FOR ANY AMENDMENT.

-IN THE EVENT OF PRESENTING YOUR DOCUMENTS TO US, PLEASE ENCLOSE AN EXTRA COPY OF THE COMMERCIAL INVOICE AND ONE NON-NEGOTIABLE COPY OF BILL OF LADING FOR OUR FILES. PLEASE ALSO SUBMIT ORIGINAL LETTER OF CREDIT FOR NEGOTIATION/PAYMENT.

-IF YOU DECIDE TO COLLECT THE PROCEEDS THROUGH OUR BANK, WE WILL DEDUCT THE PROCEEDS AT THE TIME OF PAYMENT. OUR CURRENT COMMISSIONS AND CHARGES ARE AS FOLLOWS :

- 1) Payment Commission : One-tenth of one percent (minimum : US\$80.00 )
- 2) Discrepancy fee : US\$60.00
- 3) Wire transfer fee : US\$20.00
- 4) Check issuance fee: US\$30.00
- 5) Other applicable charges / commission : Various

-THIS ENCLOSED LETTER OF CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDIT (1993 REV) ICC 500.

-UPON THE RECEIPT OF THIS ADVICE LETTER, PLEASE SEND US A CHECK OR REMIT OUR

(X) L/C ADVISING COMMISSION : US\$80.00

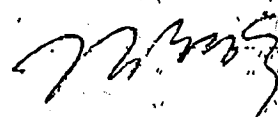
( ) AMENDMENT ADVISING COMMISSION : US\$70.00

PAYABLE TO KOREA EXCHANGE BANK NEW YORK BRANCH WITHIN 5 BUSINESS DAYS.

\*PLEASE FEEL FREE TO CALL (212)838-4949 EXT.225 OR 230 FOR PAYMENT AND EXT.218 FOR ADVISING,  
 SHOULD YOU HAVE ANY INQUIRIES.

VERY TRULY YOURS,

ORIGINAL



# KOREA EXCHANGE BANK

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Date of Advice : 03-10-01

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<b>Beneficiary</b> US MATERIAL SUPPLY INC	<b>Advice No. ( Please quote this No. in communication with us )</b> 5623ADV030911239	
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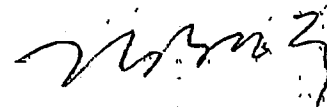
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VERY TRULY YOURS,

ORIGINAL



JUL-12-2005 15:03

KEB NY FINANCIAL CORP

P.15

PRINT CLASS : RECEIVE

IRN : 247000447

HASH : 1111

PAGE : 1

DSN : 258781

IN/OUT SERVICE : SWF/OBS

DEPT : GBL

SENDER'S ADDRESS : KOEXKRSE

KOREA EXCHANGE BANK

CPO BOX 2924 (100)

SEOUL, KOREA

ATTN No.

5623ADV 030911239

RECEIVE HEADER

1:F01KOEXUS33AXXX7123258781}  
 2:07001432030904KOEXKRSEAXXX71426566070309040132N}  
 3:{108:0904700057400}}

ORIGINAL

KOREA EXCHANGE BANK  
NEW YORK BRANCH

AUTHORIZED SIGNATURE

TT700 ISSUE OF DOCUMENTARY CREDIT

27 SEQUENCE OF TOTAL  
SEQUENCE

1/1

10A FORM OF DC

IRREVOCABLE

20 DC NO

M0601309GS90058

31C DATE OF ISSUE

03SEP03

31D EXPIRY DATE AND PLACE

03SEP05

IN U.S.A

DEFENSE PROCUREMENT AGENCY

MINISTRY OF NATIONAL DEFENSE

REPUBLIC OF KOREA

50 APPLICANT

59 BENEFICIARY

US MATERIAL SUPPLY INC.

141 SHREVE AVE.BARRINGTON NJ 08003

U.S.A

32B DC AMT

USD338,162.40

CCY/AMT

41D AVAILABLE WITH/BY

ANY BANK

BY PAYMENT

AVAILABLE WITH

SIGHT

BY

42C DRAFTS AT

42D DRAWEE

KOREA EXCHANGE BANK BUSINESS D.

IVISION

ALLOWED

NOT ALLOWED

FULL N/A

43P PARTIAL SHIPMENTS

43T TRANSHIPMENT

44A LOADING/DISPATCH AT/FROM

NEW YORK SEAPORT, U.S.A

NEW YORK SEAPORT, U.S.A

44B FOR TRANSPORTATION TO

BUSAN PORT, KOREA

BUSAN PORT, KOREA

44C LATEST DATE OF SHIPMENT

03JUN05

45A GOODS

+ITEM NO. COMMODITY DESCRIPTION Q'TY

UNIT

TOTAL

PRICE

AMOUNT

17L/I S/P FOR FIRING EQUIPMENT

USD338,162.40

AND OTHERS

(FCA) NEW YORK SEAPORT, U.S.A

USD338,162.40

+PRICE TERM:FCA

46A DOCUMENTS REQUIRED

+DRAFT(S)



PRINT CLASS REC  
 DEPT EBL

OSN : 258781

IN/OUT SERVICE : SWF/OBS

+THREE ORIGINAL AND TWO DULY COPIES OF BILL OF LADING  
 CONSIGNED TO 'THE DEFENSE TRANSPORTATION CMD, REPUBLIC OF  
 KOREA' AND MARKED 'FREIGHT COLLECT' AND NOTIFY TO  
 'ACCOUNTTEE', WHICH ARE ISSUED BY CARRIER STIPULATED  
 IN THIS LETTER OF CREDIT.  
 +ONE ORIGINAL AND FOUR DULY SIGNED COPIES OF A COMMERCIAL INVOICE  
 +ONE ORIGINAL AND FOUR DULY SIGNED COPIES OF THE DETAILED  
 PACKING LIST

17A ADDITIONAL CONDITIONS

+NUMBER OF THE CONTRACT  
 ALL DOCUMENTS PRESENTED UNDER THIS CREDIT MUST BEAR AND  
 CONTAIN THE CONTRACT NO. KFX-DPA-31BD16307 AND CREDIT NO.  
 +PERFORMANCE BOND

(A) THE PERFORMANCE BOND SHALL BE ISSUED IN FAVOR OF THE  
 APPLICANT IN THE FORM OF STAND-BY LETTER OF CREDIT, CASH AND  
 SURETY BOND WHICH INCLUDES THE WORDINGS OF ANNEX NO.3  
 STIPULATED IN THE CONTRACT NO. KFX-DPA-31BD16307, TO BE ADVISED  
 THROUGH KOREA EXCHANGE BANK, SEOUL, KOREA WITHIN THIRTY(30)  
 DAYS AFTER THE EFFECTIVE DATE OF THIS CONTRACT.

(B) IN CASE OF THE STAND-BY L/C, THE PERFORMANCE BOND SHALL BE  
 ISSUED SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR  
 DOCUMENTARY CREDITS (1993 REVISION THE INTERNATIONAL CHAMBER OF  
 COMMERCE, PUBLICATION NO.500) AND THE PERFORMANCE BOND  
 SHOULD BE ISSUED BY A BANK RATED AS OF HIGH FINANCIAL STRENGTH  
 GRADE BY INTERNATIONAL CREDIT RATING AGENCIES, SUCH AS MOODY'S  
 S AND P AND FITCH IBCA.

(C) THE AMOUNT STATED IN THE PERFORMANCE BOND SHALL BE EXPRESSED  
 IN THE SAME CURRENCY AS IN THIS CREDIT AND SHALL BE EQUAL TO  
 TEN(10) PERCENT (USD33,816.24) OF THE TOTAL AMOUNT OF THIS  
 CREDIT

(D) THE PERFORMANCE BOND SHALL CONTINUE TO BE IN FULL EFFECT AND  
 FORCE UNTIL THE EXPIRATION OF TWELVE(12) MONTHS AFTER THE  
 LATEST DATE OF DELIVERY STIPULATED IN THIS CREDIT. THE  
 PERFORMANCE BOND SHALL NOT BE AMENDED, MODIFIED OR CANCELLED  
 WITHOUT PRIOR CONSENT BY THE APPLICANT

+DEDUCTION OF LIQUIDATED DAMAGES FOR DELAYED SHIPMENT

(A) WHEN THE BENEFICIARY FAILS TO EFFECT DELIVERY WITHIN THE  
 PERIOD OF TIME STIPULATED IN THIS CREDIT, LIQUIDATED  
 DAMAGES SHALL BE LEVIED AT THE RATE OF FIFTEEN(15) HUNDREDTH OF  
 ONE PERCENT (0.15PCT) OF THE INVOICE AMOUNT OF THE DELAYED  
 DELIVERY PER DAY.

THE AMOUNT OF THE LIQUIDATED DAMAGES SHALL BE DEDUCTED FROM THE  
 MONEY PAYABLE BY THE APPLICANT

(B) THE TOTAL AMOUNT OF THE LIQUIDATED DAMAGES SHALL NOT EXCEED  
 TEN PERCENT (10.00 PCT) OF THE CONTRACT AMOUNT

+SHIPPING NOTICES

THE BENEFICIARY SHALL NOTIFY TLX OR FAX TO THE APPLICANT OF THE  
 READINESS FOR SHIPMENT OF THE COMMODITY, SUCH NOTIFICATION OF  
 THE READINESS FOR SHIPMENT SHALL BE MADE AT LEAST THIRTY(30) DAYS  
 PRIOR TO THE ANTICIPATED SHIPPING DATE INCLUDING  
 PERTINENT INFORMATION SUCH AS CONTRACT NO. BRIEF  
 DESCRIPTION OF THE COMMODITY TO BE DELIVERED, INVOICE AMOUNT,  
 AND L/C NO., ETC.

+PARTIAL SHIPMENTS

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KEB NY FINANCIAL CORP

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RINT CLASS : RECEIVE  
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IRN : 247000447 HASH : 1111  
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PAGE : 3  
DEPT : CBI

PARTIAL SHIPMENTS ALLOWED 3TIMES  
+CARRIER NOMINATED BY THE APPLICANT  
FOR COMMODITIES SHIPED FROM NEW YORK PORT, U.S.A.  
NAME: WORLD EXPRESS INC. (NEW YORK OFFICE)  
ADDR: 145-18 156TH ST. JAMAICA NY.11434 *New York.*

ATTN: MR. DANNY CHOI  
TEL: (1) 718-341-2366 / FAX (1) 718-341-2388

+PAYMENT  
PAYMENT SHALL BE MADE AFTER APPLICANT'S RECEIVING THE  
CERTIFICATE OF RECEIPT ISSUED BY END-USER, STIPULATED IN THE  
ANNEX NO.4 OF CONTRACT NO. KFX-DPA-31BD16307  
+DELIVERY OF THE COMMODITY

P.R NO.	ITEM NO.	BUDGET	STOCK NO.	QNTY (EA)	UNIT PRICE (USD)	DELIVERY SCHEDULE
	12					WITHIN 6MONTHS OPENING OF L/C
	16					WITHIN 9MONTHS OPENING OF L/C
	1A					WITHIN 21MONTHS OPENING OF L/C

+BANKING CHARGES  
ALL BANKING CHARGES INCLUDING POSTAGES OR OTHER EXPENSES  
INCURRED OUTSIDE KOREA SHALL BE FOR ACCOUNT OF THE BENEFICIARY  
+ALL OTHER DETAILS ARE AS PER THE CONTRACT NO.:KFX-DPA-31BD16307  
+BANK INSTRUCTIONS  
ADVISING CHARGES(USD100.00) OF STAND-BY LETTER OF CREDIT WHICH  
IS ADVISED THROUGH KOREA EXCHANGE BANK, SEOUL, KOREA ARE FOR  
BENEFICIARY'S ACCOUNT  
+DOCUMENTS PRESENTED LATER THAN 21 DAYS AFTER THE DATE OF  
SHIPMENT ARE ACCEPTABLE, BUT WITHIN THE VALIDITY OF THE CREDIT  
+NEGOTIATION/PAYMENT UNDER RESERVE OR AGAINST AN INDEMNITY  
PROHIBITED. IN THAT CASE, NEGOTIATION SHOULD BE PROCESSED  
UNDER OUR APPROVAL. A DISCREPANCY FEE OF USD60.00 OR  
EQUIVALENT THEREOF IS PAYABLE BY THE BENEFICIARY FOR EACH  
DRAWING PRESENTED WHICH DOES NOT STRICTLY COMPLY WITH THE  
TERMS OF THIS LETTER OF CREDIT AND WHICH HAS TO BE REFERRED  
TO THE APPLICANT.

+UPON RECEIPT OF DOCUMENTS IN CONFORMITY WITH THE TERMS AND  
CONDITIONS OF THIS LETTER OF CREDIT, WE WILL REMIT THE PROCEEDS  
TO THE BANK DESIGNATED BY YOURSELVES.

49 CONFIRMATION INSTRUCTIONS THE RECEIVER IS NOT REQUESTED TO C  
ONFIRM THE CREDIT.

76 INFO TO PRESENTING BK  
ALL DOCUMENTS MUST BE FORWARDED TO  
KOREA EXCHANGE BANK BUSINESS DIVISION/ 181, ULCHIRO 2-KA,  
CHUNG-KU, SEOUL 100-793, REPUBLIC OF KOREA IN ONE LOT BY  
REGISTERED AIRMAIL/COURIER SERVICE.

72 BK TO BK INFO

+UNLESS OTHERWISE EXPRESSLY STATED,  
THIS CREDIT IS SUBJECT TO THE  
UNIFORM CUSTOMS AND PRACTICE FOR  
DOCUMENTARY CREDIT, 1993 REVISION,  
ICC PUBLICATION NO. 500

JUL-12-2005 15:04

KEB NY FINANCIAL CORP

P.18

PRINT CLASS : RECEIVE  
SN : 258781

IRN : 247000447      HASH : 1111  
IN/OUT SERVICE : SWF/OBS

PAGE : 4  
DEPT : CBL

TRAILER

5:

MAC:C9D029B0}

CHK:5D9BCC253020}}

\*\*\* WARNING \*\*\* SWIFT AUTHENTICATOR CORRECT



PRINT NUMBER : CBLRCVQ98106  
END OF MESSAGE

PRINT AT : 08:59 04SEP03